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NG-0038

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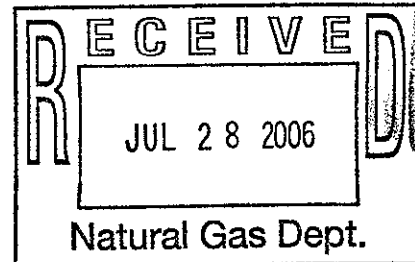
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July 26, 2006

Angela DuVall Melton
Nebraska Public Service Commission
300 The Atrium
1200 "N" Street
Lincoln, Nebraska 68509



RE: Comments on Draft Rules Implementing Provisions of LB 1249

Dear Ms. Melton:

The Metropolitan Utilities District (M.U.D.) requests that the Public Service Commission consider the comments provided below in adopting rules implementing provisions contained in Legislative Bill 1249.

003.01 The draft rule states that no jurisdictional utility or metropolitan utilities district shall pursue a natural gas main extension or service enlargement until the proposal has been submitted to the Commission for a determination that the proposal is in the public interest. The draft rule does not contain the exceptions contained in LB 1249, i.e., that M.U.D. main extensions or service area enlargements within the corporate boundaries of the city of the metropolitan class or such city's zoning jurisdiction may be pursued without the need for Commission approval or the requirement to file and request permission to pursue such extension or enlargement. M.U.D. requests that these exceptions be reflected in the new rules.

003.01A1c The proposal should specify the length of each size of main, e.g., 100 feet of four-inch, 200 feet of three-inch, and 300 feet of two-inch.

003.01A2d The proposed rule provides that the utility must provide the anticipated date the utility intends to pursue the extension or enlargement. M.U.D. does not think this information should be provided. Once the fifteen day protest period has passed without a protest being filed, it is entirely up to Aquila or M.U.D. as to when the main will be installed. Because main installations are subject to so many variables (e.g., construction schedules, developer needs, housing markets, weather, internal budgets), M.U.D. does not think this information is helpful or meaningful.

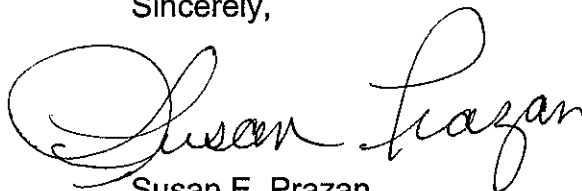
003.01C M.U.D. understands that Commission staff intends to post proposals on the Commission website within three days after the date of filing. M.U.D. does not believe the rules should conclusively presume that this has in fact happened. M.U.D. would like the posting date to be noted on the website next to the description of each proposal.

003.02A1 The proposed rule requires that a "verified" description as to how the proposed extension or enlargement satisfies the criteria in Rule 003.07 be filed. M.U.D. believes it is archaic to require a verification, that filings by attorneys should be presumed to be truthful and that this requirement should be deleted.

003.11 If the existing rule regarding appeals to the Court of Appeals is to be repealed (since appeals of Commission orders are to District Court), the rule on Enforcement should be numbered 003.10.

M.U.D. believes that it will be helpful to both M.U.D. and Aquila if the proposals state whether the main extensions are entirely within or partly within a particular zoning jurisdiction. In addition, we have reconsidered our initial position on maps. It may be helpful to all involved if a map depicting the location of the proposed main is included in the proposal. A map showing the location of the main may prevent confusion and eliminate the need for follow-up questions.

Sincerely,

A handwritten signature in cursive script, reading "Susan Prazan". The signature is fluid and elegant, with the first name "Susan" and last name "Prazan" clearly distinguishable.

Susan E. Prazan
Attorney

SEP/sms